541.30 crore and Rs. 230.97 crores respectively during 2006-07. National Aviation Company of India Limited (NACIL), which was formed on April 1, 2007 after the merger of two companies has reported a loss of Rs. 2226 crores during 2007-08 and is estimated to incur a loss of around Rs. 5000 crores during 2008-09.

(b) The losses are largely due to operating losses, which have been compounded due to the present economic recession as also the high oil prices last year and dept servicing of new aircraft.

(c) Three Chairman and Managing Directors have taken up the job during the last three years.

The qualification and experience prescribed for the post of CMD, NACIL are:

(i) The applicant should be a graduate with good academic record from a recognised university. He should possess adequate experience at a senior level of management in a large organization of repute.

(ii) Persons with Technical/MBA qualification and having experience in management and familiarity with Finance and Commercial operations in the air transport sector will have added advantage.

(iii) Provided that minimum qualification is relaxable in the case of internal candidates with good record and adequate experience.

Provided that notwithstanding the qualifications and experience prescribed for the post, officers of the level of Additional Secretary in the Government of India or officers in equivalent scale or Lieutenant General in the Army or equivalent rank in Navy/Air Force, on the date of vacancy will be eligible for consideration on deputation basis subject to their cadre clearance and the requirement of cooling off required for those officers who were/are on deputation in terms of the relevant guidelines.

The recent CMDs of Air India were Civil Servants with adequate experience in the Civil Aviation Sector and Public Sector Enterprises.

Forex Revenue Reserve

†*258. SHRI Y.P. TRIVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether due to increase in the rate of dollar and other international currencies, Indian Forex Revenue Reserve has been badly affected; and

(b) if so, the extent to which it has been affected and the details of steps taken to bring it at par?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) The foreign exchange reserves declined from US$ 309.7 billion at the end of March, 2008 to US$ 251.7 billion at the end of March, 2009. Out of the total decline of US$ 58.0 billion, US$ 37.9 billion (65.3 per cent) was on account of valuation loss, reflecting the depreciation of

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†Original notice of the question was received in Hindi.

major international currencies against the US dollar. The remaining decline of US$ 20.1 billion (34.7 per cent) was due to higher current account deficit vis-a-vis capital account inflows, which could be attributed to global economic crisis.

The exchange rate policy is guided by the broad principles of careful monitoring and management of exchange rates with flexibility, while allowing the underlying demand and supply conditions to determine the exchange rate movements over a period in an orderly manner. Subject to this predominant objective, Reserve Bank of India (RBI) intervention in the foreign exchange market is guided by the objectives to reduce excess volatility, prevent the emergence of destabilizing speculative activities, maintain adequate level of reserves, and develop an orderly foreign exchange market.

Fake currency notes

†*259. SHRI SATYAVRAT CHATURVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that fake currency notes of Rs. 1000 denomination bearing series 2AQ and 8AC amounting to Rs. 2000 crore have been detected;

(b) if so, the place of their origin and when Government came to know about them;

(c) the steps taken by Government to check the circulation of fake notes;

(d) whether Government is importing paper for printing notes; and

(e) if so, the reasons for not producing the paper required for printing the notes in the country itself so that printing of fake notes could be checked?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) the (b) The Anti Terrorist Squad (ATS), Mumbai seized 345 pieces of Rs. 1000 denomination (value—Rs. 3,45,000) fake notes bearing series 2AQ and 8AC on 14th May, 2009 and the matter was reported immediately to the Government.

(c) The steps taken by the Government to curb circulation of Fake India Currency Notes (FICN) in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the bank notes in 2005 to make counterfeiting very difficult. A High Level Committee headed by the Union Home Secretary comprising officials from central agencies and other senior police officials has been constituted to monitor and draw up a comprehensive strategy to combat FICN. Similar bodies have also been set up in the States. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal Agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.

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†Original notice of the question was received in Hindi.